(d) The SEZ Act, 2005 and SEZ Rules, 2006 have been operationalized only from February, 2006. There is no small scale sector specific SEZ policy. The question of review of SEZ policy with reference to the small scale sector does not arise.

Foreign capital in agriculture and agricultural farms

2422. SHRIMATI VIPLOVE THAKUR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Foreign Exchange Management Act (FEMA) does not permit deployment of foreign capital in agriculture and agricultural farms;

(b) if so, whether the Department of Industrial Policy and Promotion is considering a proposal for allowing overseas Indians to buy farmhouses and plantations on small scale;

(c) if so, the details thereof; and

(d) whether the proposal is fraught with serious consequences of social, legal and economic nature?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, notified under the Foreign Exchange Management Act prohibits non-residents, including Non-resident Indians and Persons of Indian origin form investing in Agriculture sector except in Tea Plantation sector and in Floriculture, Horticulture, Development of Seeds, Animal Husbandry, Pisi-culture, Aqua-culture, Cultivation of Vegetables, Mushrooms under controlled conditions and services related to agro and allied sectors.

(b) and (d) Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations, 2000 notified under the Foreign Exchange Management Act, 1999, allows Persons of Indian Origin resident outside India to purchase immovable property other than agricultural land/ plantation property/farm house in India.